The People's Korea

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DPRK President Extends Greetings to Soviet Leader

President Kim Il Sung congratulated Mr. Mikhail S. Gorbachev on his re-election as General Secretary of the Central Committee of the Communist Party of the Soviet Union.

In his message sent to the Soviet leader on March 6, General Secretary Kim Il Sung stated:

Your re-election as General Secretary of the Central Committee of the Communist Party of the Soviet Union is an expression of the deep respect of the entire members of the Communist Party and people of the Soviet Union for and their trust in you who are making a great contribution to the struggle for accelerating the socio-economic development of the country and defending world peace and security by energetically leading the Communist Party and people of the Soviet Union.

I believe that the fraternal Soviet people under the correct leadership of the Communist Party of the Soviet Union headed by you will achieve great success in the struggle for implementing the decision adopted at the 27th congress of your party which has provided a new milestone for the development of the Soviet society.

Convinced that the relations of the class alliance and the fraternal friendship and cooperation between our two parties and peoples will constantly develop in the future, too, through the common struggle against imperialism and for the victory of the cause of peace, socialism and communism on the principles of Marxism-Leninism and proletarian internationalism, I take this opportunity to heartily wish you new success in your responsible work for the realisation of Lenin's cause and for the Soviet people's well-being and peace as well as good health.

Meanwhile, President Kim Il Sung extended congratulations to Mr. Mario Soares upon his election as President of the Republic of Portugal, on behalf of the government of the DPRK, the Korean people and on his own behalf.

He wished the Portuguese president success in his future work.

Expresses Condolences To Swedish King

President Kim Il Sung sent on March 2 a telegram of condolences to Carl Gustaf, King of Kingdom of Sweden, on the demise of Olof Palme, Prime Minister of Kingdom of Sweden.

It says: "The demise of His Excellency Olof Palme, a prominent statesman and peace champion, constitutes a great loss to the Swedish people and the world's peace-loving people.

"Though His Excellency Olof Palme has passed away, his distinguished services in the work for his country's prosperity and for peace in Europe and the world will remain forever."

Mr. Kim Jong Il Inspects Satellite Communication Station

The young Korean leader, Mr. Kim Jong Il, on March 4 gave working guidance to the just built International Satellite Communication Earth Station and the construction site of the Patriotic Martyrs Cemetery, reported the official Korean Central News Agency on March 5.

The International Satellite Communication Earth Station was constructed in Sadong District, Pyongyang Municipality.

He went round the various facilities such as the parabolic antenna and the transmitting and receiving equipment for television, telegraph and telephone, telephoto, and telex.

Saying that the International Satellite Communication Earth Station plays a very important role in strengthening links with many countries of the world through telegraph and telephone and exchange of news materials, he stressed the need to raise its utility rate through its effective control and management.

Later, he went round the construction site of the Patriotic Martyrs Cemetery in Sinmiri.

He stressed that the Patriotic Martyrs Cemetery should be built qualitatively as it was a structure of eternal value for paying tribute to the feats of the patriotic martyrs who fell in the struggle for the liberation of the country, socialist construction and the cause of the country's reunification.

He also examined the miniatures of the ground structures of the Nampo Barrage, indoor stadiums to be built in Angol Valley of Mangyongdae, silicate dwelling houses and decoration designs for main buildings, squares and parks of Pyongyang.

Seeing various kinds of medicines made of medicinal plants rich in the country by the Korean Mannyon Health Company, he set forth tasks to increase the medicine production and improve medical services.

Pyongyang Urges NNSC to Discuss U.S.'s Armistice Violations

The DPRK on March 3 called on the Neutral Nations Supervisory Commission to discuss the U.S. side's violation of the Armistice Agreement and take possible measures.

The proposal was made in a letter to the NNSC signed by Major General Li Tae Ho, senior member of the Korean side to the Military Armistice Commission.

The letter says the military exercises such as Team Spirit 86 "are a wanton violation of the preamble, paragraph 12 and subparagraphs 13 C and D of the Armistice Agreement and an open threat to us."

Noting the United States holds large-scale offensive military exercises against the other party to the dialogue, it said, "If this impudent and dangerous action of the U.S. side is allowed to go on, we cannot but worry about the existence of the Armistice Agreement, to say nothing of its implementation and peace and security on the Korean Peninsula will be gravely endangered."

The letter urged the NNSC to discuss wanton violations of the Armistice Agreement by the U.S. side and take possible steps.

Gorbachev Favors Proposal for Nuclear-Free Northeast Asia

Soviet leader Mikhail Gorbachev expressed his support for the DPRK government's proposal to turn the Korean Peninsula into a peace zone, a nuclear-free zone.

He said such a proposal "would be a major step along the road of the consolidation of security in the Asian-Pacific region."

He made these remarks when he met in Kremlin on March 3 DPRK Premier Kang Song San who also serves as a member of the Political Bureau of the WPK Central Committee. He led a DPRK delegation to attend the 27th Congress of the CPSU.

Mr. Gorbachev stressed that the Soviet Union had consistently supported and would actively support in the future, too, the Korean people's striving for a peaceful, democratic reunification of the country without foreign interference.

He added that the CPSU Central Committee felt satisfaction over the favorably developing relations between the two parties and two peoples, particularly between the leadership of the CPSU and WPK.

The KCNA reported the Soviet leader asked Premier Kang to forward his cordial regards to President Kim Il Sung and Secretary Kim Jong Il.

The talk passed in a cordial and friendly atmosphere, it said.

Former KCIA Officer Defects to North

A former operative and intelligence officer overseas of the Korean Central Intelligence Agency sought asylum in the DPRK some time ago, reported the KCNA on Feb. 28.

Chong Dong Ik, 52, was born in Hwaam-ri, Tong Myon, Chongson County, Kangwon Province. From 1952 to 1981, he served at the gendarmerie of the south Korean army headquarters, the Seoul Police Bureau, etc. and was active as an operative and intelligence officer overseas of the KCIA.

Serving in the gendarmerie of the army headquarters and the KCIA, he was quoted as saying, he witnessed a lot of scandals of the ruling circles to be disillusioned about the south Korean society.

"I committed many crimes against the country and the nation, while serving as an operative of the CIA of the south. But, I am glad to have gained the hope to atone for my crimes and live honestly by joining hands with the fellow countrymen of the north on the road to reunification before it is too late," he was quoted as saying.

He did not give detailed accounts of his motive of coming over to the north through a third country but said he would do so in due time.

Premier Kang Greets Filipino PM

Premier of the Administration Council Kang Song San sent a message of greetings to Salvador Laurel, Prime Minister of the Republic of Philippines.

The message extends warm congratulations on the victory of the struggle of the Filipino people supporting Her Excellency President Corazon Aquino and the assumption of office by Salvador Laurel as Prime Minister of the Republic of Philippines.

Expressing the hope that the relations between the Democratic People's Republic of Korea and the Republic of Philippines would develop favourably, the message wishes the Filipino Prime Minister health and success in his responsible work for the stability and prosperity of the country.

Secy. Hwang Jang Yop Stresses Need to Co-host 1988 Olympic Games

Secretary Hwang Jang Yop of the Central Committee of the Workers' Party of Korea, who was invited to the 27th Congress of the Communist Party of the Soviet Union as a vice-head of a delegation of the WPK, had an exclusive interview with a reporter for the Asahi Shimbun (one of the leading Japanese dailies) on Feb. 2 at the Embassy of the Democratic People's Republic of Korea in Moscow. At the interview, he expressed his clear-cut views on a peaceful reunification of the Korean Peninsula, 1988 Summer Olympics and normalization of diplomatic relations with Japan.

He condemned the U.S.-south Korea joint war rehearsal code-named "Team Spirit 86," saying "it is nonsense to hold a north-south dialogue in the actual situation in which north Korea is exposed to a military threat. He emphasized that for a peaceful reunification on the Korean Peninsula it is essential to early realize three-way talks" by Pyongyang, Washington and Seoul which north Korea advocates.

Meanwhile, he insisted that the forthcoming 24th Olympic Games should be co-hosted by north and south Korea to save the international Olympic movement from split and confusion.

Noting that questions on the dialogues between north and south Korea and Korea's peaceful reunification are inseparable from the peace and security of Asia, Mr. Hwang accused the White House, saying that it not only is deploying a large number of military forces and nuclear weapons in south Korea but also has driven north Korea to the brink of war through the large-scale annual U.S.-south Korea joint war game.

The U.S. is responsible for scuttling the north-south dialogue by holding the U.S.-south Korean joint military exercises "Team Spirit 86."

However, according to Secretary Hwang, in spite of these circumstances, the DPRK desires to realize a peaceful reunification of the country through dialogue and cooperation, and President Kim Il Sung has stressed this by saying "We'll make all efforts to bring the north-south economic talks and Red Cross talks to a successful conclusion and, also, to hold interparliamentary talks as soon as possible, and furthermore to hold north-south summit talks."

The secretary emphasized the following points: (1) Washington and Seoul should stop military pressure on Pyongyang, (2) it is necessary for the Reagan administration and the Chon junta to sit on the table with the DPRK.

He laughed off the rumors that high-ranking north and south Korean officials had a secret contact for preparation of summit talks and the DPRK with the U.S. for normalization of relations.

Meanwhile, referring to the 1988 Summer Olympic Games, he said that it is a plot and manoeuvres by Japan, America and their followers to create "two Koreas." He stated that the co-hosting of the Games is the basic posture of the DPRK.

He cited the following reasons: (1) it will be of great significance for promoting a national rapprochement between north and south Korea and easing tension on the Korean Peninsula, and (2) it is a necessary measure to save the international Olympic movement from the crisis of split and confusion. This standpoint of Pyongyang, he said, is supported actively by socialist countries including China and the Soviet Union and other progressive forces.

Furthermore, he focussed his attention on the strengthened "Japan-U.S.-south Korea cooperation and especially on the militalization of Japan and warned, "Asian people will never tolerate Japan's militalization."

At the same time, he expressed the desire of the Korean side to establish the friendly relations with Japan, its neighbor.

He stressed that Japan should stop its hostile policy toward the DPRK and follow an independent foreign policy in order to normalize relations with Korea and Japan.

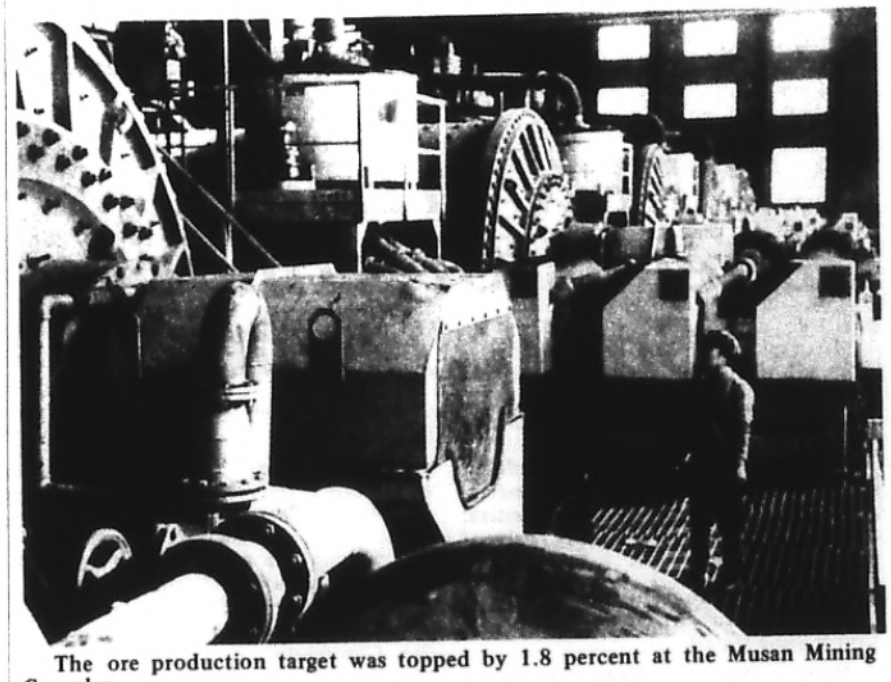
Referring to economic exchange with foreign countries including Japan, he said, "It is our country's consistent principle to expand and develop exchange and cooperation in economy and technology with all countries of the world which treat our country in a friendly way according to the principles of equality and mutual benefit," and according to these principles, the DPRK adopted "the Joint Venture Law" in September 1984.

He accused the Japanese government of placing restrictions on companies trading with the DPRK and said, "We demand that Japan observe fairness and reciprocity at least in small-scale trade transactions between both countries rather than demand some kind of economic cooperation, in consideration of the development of good-neighborly relations between the peoples of the both countries."

Referring to the problem of Koreans in Sakhalin, he said, "the Soviet government has the right to solve the problem," and "If they want to return to our country, we'll settle this question through discussion with the Soviet Union. There has been no need for negotiation, because there has never been such a demand."

***NOTE: Secretary Hwang Jang Yop became a secretary in 1979 and he is now in charge of international relations. He was also former chairman of the Supreme People's Assembly. So, his statement reflects the views of north Korean leadership.**

Workers Top February Targets



The ore production target was topped by 1.8 percent at the Musan Mining Complex.

Workers of Korea overfulfilled their plans in February, as they did in January.

The Komdok General Mining Enterprise, a leading lead and zinc ore producer, honored its February commitments at 104.5 percent in the total industrial output value, 130.9 percent in pit construction, and 100.6 percent in ore production.

The concentrated ore production target was topped by 1.8 percent at the Musan Mining Complex which holds a big share in the nation's iron ore production. In February the miners of the complex successfully carried out a blast for blowing 370,000 tons of earth in a preset direction, which was of weighty importance in building a new cutting face.

The Anju District Coal Mining Complex hit its February targets on all indices. In this period the coal miners of the complex made a breakthrough in increasing coal production by building two comprehensively mechanized cutting faces.

The February plan was also surpassed on all indices at the Northern District General Bureau of Coal Industry and the Sunchon and Kujang district coal mining complexes.

Innovations have been reported from the metal and machine building industries, too.

The Hwanghae Iron and Steel Complex carried out its February assignments at 102.1 percent in steel and 101.4 percent in rolled steel.

The Ryongsong Machine Complex has effected innovations in the production of ordered equipment.

The Sungri General Motor Works overfulfilled its February motor production assignments on all items including trucks "Sungri 58" and heavy-duty lorries "Chaju 82" and "Konsol" by introducing highly efficient processing and assembling chucks.

The Kumsong General Tractor Works hit at 101.7 percent its February tractor production plan 19 percent higher than the January results.

Successes have been registered in the production of exports, too. The plan of exports production was topped by 18 percent in Kaesong municipality.

Mansudae Assembly Hall

The Mansudae Assembly Hall

The Mansudae Assembly Hall is standing on Mansudae Hill in the heart of Pyongyang.

It is a dignified and imposing building of a peculiar style built to be a national assembly hall.

The building has a total floor space of 45,000 square metres.

It is a four-storied building with a basement. Nearly 50,000 square metres of natural stones were used to erect the building.

Galleries, pillars and so on, not to speak of walls, are covered by properly faced stones and decorated with beau-

(Continued on page 3)

Bumper Harvest of Sea Weed and Tangle

An unprecedentedly rich harvest has visited the sea weed and tangle nurseries in the east and west seas of Korea.

The shallow sea culture stations which carried out the January plans at 115 percent overfulfilled the daily production assignments of sea weed and tangle in February.

The shallow sea culture stations under the South Hwanghae Provincial Fishery Administration has produced 70 percent more sea weed and tangle than the February plans.

Overcoming the unfavorable weather conditions of winter, the Pupo shallow sea culture station produced over 1,200 more tons of sea tangle than the plan.

The Pyonghwa shallow sea culture station is carrying out daily picking plans at 180 per cent.

This year the shallow sea culture stations throughout the country which have cultivated sea weed and tangle well to produce more than 2 times on an average per group over last year started the picking of them more than a month earlier than usual.

Sea weed and tangle rich in Korea are tasteful and highly nutritious and widely used to make various foodstuffs.

EDITORIAL

Marcos' Downfall and S. Korea

Twenty years of Marcos' authoritarian rule has come to an end. Then came the emergence of new Philippines led by Corazon Aquino, widow of Benigno Aquino, the long-time rival of Marcos who was assassinated by the Marcos regime in 1983.

Mrs. Corazon Aquino pledged in her presidential inauguration address that her government would be dedicated to upholding truth and justice, morality and decency, freedom and democracy.

President Corazon Aquino has won much international support. The Aquino-led Philippines will have a tough road ahead. However, she will pave the way for a new Philippines relying not on foreign forces but on her own people.

The present upheavals in the Philippines demonstrate the great victory of the people's power against the dictatorship, Marcos, who had built his kingdom based on his own relatives, friends and cronies, resorting to fraud and injustice.

In Marcos' 20-year long reign, only a part of the privileged class have accumulated wealth and enjoyed prosperity, while the majority of the people have been denied their fundamental rights and suffered from poverty. Two-thirds of Filippino families don't get enough to eat. The Philippine economy has collapsed. Its foreign debts exceeds $27 billion. Capital export has probably exceeded $5 billion.

Political and economic crisis have been mounting in the Philippines and the communist New People's Army, whose numbers are estimated at some 200,000 armed men, has increased in strength and won much popular support. The people's hostility against Marcos had been growing, in particular, due to widespread irregularities in the election by the Marcos regime. Marcos stole the election. Then came an eruption of anger from Filippinos against the ruthless power of a desperate dictator. The Filippinos' massive opposition caused the dictator to run away.

Washington's concern on the Philippine affairs is not because it is wary of democracy in the Philippines but for the sake of its own interests. The White House's greatest concern is to secure its largest overseas military installations which are in the Philippines—the Clerk Air Base and Subic Naval Base.

The failure in its attempt to stabilize the Philippines through the "presidential election" led the Reagan administration to shift its support for Marcos to Aquino.

Lessons drawn from the Philippine case are the following:

A dictator propped up by strong foreign forces eventually will fall when he comes into conflict with the people. Another is; the imperialists will definitely turn away from their puppet regime when they find it loses its raison d'etre.

The drama that has taken place in the Philippines has had an impact upon both the Chon junta and the people of south Korea.

The Chon Du Hwan junta is apprehensive of a "second Philippines" happening in south Korea. The south Korean dissidents also have watched the situation there closely.

The American weekly "Time" magazine of Mar. 10 wrote on south Korean affairs and pointed out: ". . .Chon may be worried that one day he will lose Washington's support if a political crisis gets out of hand."

Successive south Korean dictators including Syngman Rhee and Pak Jung Hi have met the same fate as Marcos. Marcos' downfall hints that next it will be Chon's turn.

A petition calling for "constitutional revision" is mounting, which illustrates the growing anti-Chon Du Hwan sentiments among the south Korean people. The petition campaign intends to get signatures from 10 million people, or 25 percent of south Korea's population, aiming at a direct presidential election. The 10-million signature-collecting campaign for the constitutional amendment started in early February and gained more than 6,000 signatories from wider section of the south Korean people as of early March. In relation to the dissidents' demand for constitutional revision, many observers in south Korea fear that the present deadlock in south Korean will lead to a national crisis reminiscent of the 1960 student revolution against then "president" Syngman Rhee or to a series of turbulences similar to those which erupted before and after the October 1979 assassination of "president" Pak Jung Hi. (Far Eastern Economic Review Feb. 13)

Chon Du Hwan should learn a lesson from Marcos and step down from the "presidency."

Photo Collection

'Hello Pyongyang!'

In celebration of the 40th birthday of the Workers' Party of Korea on Oct. 10, 1985 Kuno Chuji, the former Chairman of the Japan-Korea Diet-men's League and ex- Minister of Posts and Telecommunications of Japan published a photo collection of Pyongyang, the capital of the DPRK entitled "Hello Pyongyang".

In the collection photos taken by Mr. Kuno Chuji during his visit in Pyongyang, are introduced. They are the scenaries and people of Pyongyang.

Here are some photos from his collection:

▶ The Chollima statue, one of the symbols of the Korean people who have engaged in building a new society. Chollima is a legendary horse in Korea which ran a thousand ri in a day.

▼ People enjoying a traditional dance at the Ulrung Island

(Continued from page 3)

tiful stone sculptures. The whole building is pedestalled by natural stones.

The inside of the building is well-appointed to suit the aesthetic sentiments of the time. Several gorgeous chandeliers are suspended from the ceiling of the central hall and natural marble pillars are erected in front in good order.

Groups of sculptures of workers, peasants, soldiers and working intellectuals are seen between marble pillars in the corridor.

The floors of the broad corridor and central hall are bedecked with natural gems like a carpet.

The ceiling of the big conference hall with more than 2,000 seats is round and its rostrum has been built well to give solemn and grand impressions. The conference hall has a room for simultaneous translation into ten foreign languages. Lighting and sound facilities are also excellent. Every table has a microphone and revolving chair.

The Supreme People's Assembly meets at this conference hall. The Fourth Session of the Seventh Supreme People's Assembly was held there in April last. Large-scale important national and international meetings will also be held at this hall.

Besides, there are small conference rooms, rooms for talks and signing ceremony on the first and second floors and rest-rooms and parlours.

Frequently held there are such functions as the signing of agreements with foreign countries, presentation of credentials by foreign ambassadors and meetings and talks with foreign delegations.

The assembly hall has many other rooms.

The lighting by fluorescent lamps and mercury lamps and wood-carving, metal, plaster and stone decorations proper to the internal structure and shape add gracefulness and solemnity to the inside of the building.

The hall is appointed with more than ten lifters, ten air conditioners, scores of exhausters and ventilaters and several refrigerators.

Spacious halls can be used also for nation-wide exhibitions.

The Mansudae Assembly Hall was built in a short period of one year and a half or so.

Outside the People's Cultural Palace.

S. Korean Opposition Proposes Direct '87 Presidential Election

"Proposed changes were intended to end Chon's dictatorship": NKDP president

South Korea's opposition forces proposed on March 7 a direct presidential election under a new constitution by the fall of 1987, according to an AP report from Seoul.

The largest opposition New Korea Democratic Party and the Council for the Promotion of Democracy, a dissident organization that backs the NKDP, warned south Korean authorities that they would boycott the next presidential election if it is held in 1988 under the existing constitution.

The opposition forces made the proposal at a news conference in which they presented a "timetable for democratization," seeking constitutional changes to allow for a direct presidential election.

The direct election would replace the current electoral college system which favors those in power.

"The proposed changes in the basic law were intended to end president Chon Du Hwan's dictatorship", said NKDP president Li Min U, reading a statement at the news conference at his party's headquarters.

The statement, signed by Li and the two dissident leaders Kim Dae Jung and Kim Yong Sam, called for the adoption by this fall of a new constitution followed by a direct presidential election by the fall of 1987.

"If our demand not met, we'll boycott next election": Kim Yong Sam

Opposition leader Kim Yong Sam on March 6 declared that if the demand for constitutional revision is not met, and the next presidential election is held under the present electoral college system, opposition forces would "boycott the election", according to a Jiji report from Seoul.

He made public his remarks in a luncheon with Japanese reporters who were invited by him.

This is the first time that the opposition side declared the possibility of a boycott of the next presidential election

Kim also denounced Gen. Chon's proposal to suspend to discussions on the problem of constitutional change till 1983 as "deceptive".

More than 6,000 signatures gathered

Meanwhile, opposition forces on March 6 made public the names of more than 6,000 people who have signed petitions in support of demands for changes in south Korea's constitution, according to an AP report from Seoul.

The name lists were displayed at the headquarters of the NKDP and the CPD.

Kim Dae Jung and Kim Yong Sam were present for a brief ceremony at the council offices, and Kim Yong Sam then went on to the party headquarters for a similar meeting.

At the council headquarters, the name of 500 petition signers were announced, and officials said there were still others who had signed but did not want their names made public. They did not give a number.

At the party headquarters, spokesman Hong Sa Duk told reporters that 5,941 people were represented in the stacks of name lists laid out on table. He said they included all 90 members of the south Korean national assembly who also are members of the major opposition party. Hong also said some lists from party branches in remote areas had not been received in time for the March 6 ceremony.

Kim Yong Sam (left), standing adviser to the NKDP and Li Min U (center), president of the NKDP look at the name lists for constitutional revision which had been collected since Feb. 12.

Since February 12, the beginning of the signature gathering campaign, with its chief demand for constitutional revisions that would elect south Korea's president through a direct, popular vote, Seoul authorities had been suppressing the movement by force. There were widespread house arrests including Kim Dae Jung, Kim Yong Sam and Li Min U, president of the NKDP and on occasion, police blockaded the headquarters of the CPD and the NKDP while searching for name lists.

It was reported that more than 200 opposition members were being held by police for their part drive.

Late in February, Gen. Chon eased its stern stand and called off the police measures, apparently feeling threat from the fall of the Marcos regime.

1985: Beginning of S. Korean Economic Ruin (3)

(Continued from the previous issue)

South Korea's total foreign debts, which amounted to $20.4 billion in 1980 have increased by $22.8 billion during the last 5 years.

The increase of Gross National Product during the same period was $18.7 billion which falls short of the increase in the total external debts.

We should recognize the fact that the economy has been maintained during the past 5 years by introducing foreign debts.

Another question in the foreign debts issue is the fact that with the present heavy burden of debts on our economy, it can be maintained only when huge amounts of foreign money are to be continuously injected into it in future, too.

However, as is already clear, the international credit market or monetary market is now in a critical condition and is worse than the aggravated export market.

The present monetary market has tremendously changed from what it was in the 1970s.

We have to largely depend on short-term loans which carry quite unfavorable conditions as many countries face difficulties in introducing foreign loans.

Secondly, we highly depend on export and import (trade), that is to say, the ratio of dependence on trade is too high.

The fact that the national economy is controlled by trade, shows that the economy is immensely influenced by external factors.

The ratio of dependence on trade which stood at 67.7% in 1979 increased to 85.3% in 1984.

Moreover, our trade markets concentrate on the United States and Japan so that our economy is at the mercy of the economic conducting of these two countries.

10 major business enterprises produce 72% of total GNP

The south Korean economy depends on foreign countries too heavily in the field of capital, technology and raw material.

The world's trade condition, particularly, protectionism in advanced capitalist countries steps up the degree of the external dependence of the south Korean economy. There is a prospect that the total world trade may continuously decline in the latter half of 1980.

Can we find the way to protect the south Korean economy from this worldwide tendency in trade?

The south Korean economy, which largely influenced by trade, will surely suffer more in future.

Thirdly, the largest inner contradiction generated in the course of the development of an export-oriented economy depending upon foreign debts has the resulted in the concentration of the nations' economic power of a handful of major business enterprises or zaibatsu concerns accounted for some 25 % of Gross National Product in 1979 and the percentage jumped to 72% in 1984.

This is a surprising fact.

The national economy which has been maintained with the accumulated foreign debts of $22.8 billion during the past 5 years is now placed under the control of a small number of business enterprises.

As a result, the economic policy of our country during the period has resulted in raising and heightening economic scale of zaibatsu companies.

The concentration due to the concentration of economic power on a small number of enterprises is a factor for or a hotbed of various social contradictions and social crises.

To use a religious expression, that means a "collapse of the foundation of social justice."

Fourthly, disruption of environmental pollution which is an inevitable phenomenon of an export-oriented economy relying upon foreign debts.

Environment pollution in our country apparently stems from the desire to heighten the export competitiveness of our products.

The easiest method is applied in our country to cut pollution prevention costs and consequently production costs of export commodities.

Since the latter half of last year, there has been a lot of talk about protectionism in the United States and political pressures by the United States on our country to open our markets.

Many people felt at that time that they were betrayed by the U.S. and accused it of betrayal.

However, there was no voice accusing themselves of their failure to improve the structure of the south Korean economy.

"National unity" necessary for economic rebirth

Time flies.

We cannot live with the growth theory in the 1970s.

We have to find a new method.

We now stand on a crossroads from which we cannot escape.

One way is to maintain existing the economic structure (external dependence, dependence on trade, concentration of economic power on a handful of zaibatsu groups, expansion of environmental pollution) and to continuously follow the export-oriented economic growth policy at any cost.

The other way is to follow a new economic development policy through control and transformation of the economic structure, to which a prerequisite is to change thinking on economic construction.

The former will more and more enlarge the "conclusion of 1980" and an easy way for a while.

However, this is the way of throwing our economy into the depths of external dependence forever, and of making our country unable to extricate itself from foreign debts.

Moreover, this is the way of triggering a social crisis rather than an economic crisis.

The latter is difficult and hard, but the one leading to the creation of an economy for freedom, independence and reunification.

National unity or a national consensus should be realized in order to pave the way for the development.

All the people, first of all, should be able to talk freely in their own positions and express their views on this problem.

It is clear which way south Korea should choose when we regard the year 1985 as a year of "collapse of the growth economy for south Korea."

(Concluded)

Students in Seoul Join in Signature Drive

The movement for constitutional revision developed to a higher stage on March 3, the day of beginning of the spring semester, when hundreds of students from 4 universities in Seoul joined in the on-going signature-gernering drive for the constitutional amendment being carried out by the opposition forces, shouting "Down with the dictatorship!" and "Revise the present constitution!", south Korean dailies reported on March 4.

Some 500 students of Seoul National University staged a demonstration on the campus on that day in support of constitutional amendment, which followed the ceremony for freshmen at a.m. 11 which was held in a tense atmosphere with plainclothesmen posted there ready to pounce upon students.

The protesters clashed with riot police and hurled stones at tear-gas firing policemen. They chanted anti-"government" slogans and called for constitutional revision.

Two students were led away by the police while attempting to gather signatures on the campus.

The Korea Times said that some 250 students have already signed the petition supporting the revision. But the school authorities failed to find the list of signatures.

Students collected signatures before the student hall on three notebooks. The campaign leaders distributed some 1,000 printed forms for students who failed to sign.

About 100 students of Song Kyun Kwan University staged a demonstration on that day after holding a rally in support of the signature drive.

They also distributed leaflets to the freshmen and their parents who participated in a newcomers' ceremony at the university.

Similar rallies or demonstrations were also held at Kookmin and Hankuk University just after a ceremony for the entrance of new students.

Earlier on Feb. 26, the day of graduation ceremonies in south Korea's major universities, more than 4,000 students of Seoul National University waged anti-"government" protest action on the campus where the ceremony took place, according to foreign press report from Seoul.

Students staged a mass walkout as an expression of their protest against south Korean authorities when the south Korean minister of education began to speak.

During the melee, the protesters expressed fully support to the on-going signature collecting campaign and demanded the resignation of Gen. Chon Du Hwan.

When the president of the university started an address, students also collectively walked out, singing an anti-"government" song.

Police had sent an estimated 1,500 plainclothes police to the campus in advance of the ceremony to guard against any movement of students.

That day, students at three other universities in Seoul waged similar protest during the graduation ceremonies.

Police said on Feb. 26 that they arrested 4 students in Sung Kyun Kwan, 3 in Korea, 2 in Kyonghui universities for leading demonstration or distributing anti-"government" leaflets for constitutional amendment after the graduation ceremony in each university, south Korean dailies reported.

Prisoners and Religious Group Protest against "Constitution"

About 800 student and dissident prisoners who are detained for their political stand, declared that they would launch a three-day hunger strike from March 1, demanding abolition of the "present constitution", according to the Japanese daily Sankei Shimbun dated March 1. The decision was revealed by the CPD on Feb. 28.

Meanwhile, a Catholic activist group on March 5 called for democratic reforms and supported the drive for constitutional revision, the Korea Time reported on March 5.

The Korean Catholic Council for Justic and Peace issued a statement demanding "peaceful and grand reconciliation aimed at avoiding calamity stemming from possible rejection of the government by the people."

The statement said, we are convinced that the drive for constitutional revision toward democracy represents the basic right of the people."

Prosecutors to Charge 51 University Students

The south Korean prosecutors office on March 6, charged 51 students of Seoul National University who staged a rally and demonstration in support of constitutional revision on March 4 with violating the law of demonstration and assembly, according to a Kyodo report from Seoul.

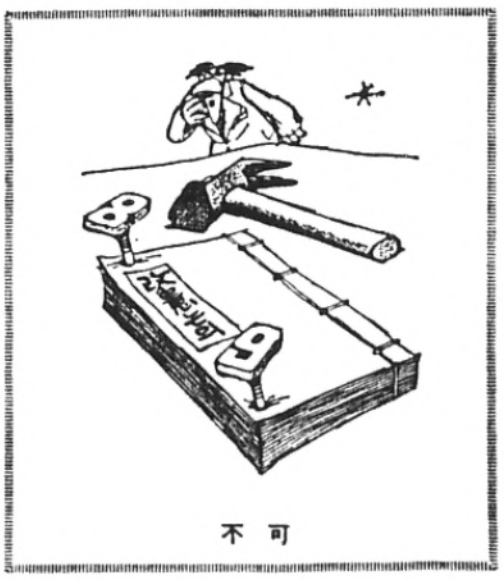
Police said about 30 among the 51 might be charged with violating the "national security law."

S. Korean Cartoons on Recent Political Phase

The junta of Gen. Chon Du Hwan recently revealed more undisguisedly its ulterior intention to stay in power, saying that "all political discussion should be made after 1989," while perpetrating unprecedented-scale suppression upon dissidents and students who rose up in a 10-million signature collection campaign for "constitutional" revision.

This was proved in a series of violent measures including house arrest of more than 200 New Korea Democratic Party assemblymen and members on February 20 and searches against 129 universities and colleges throughout south Korea by mobilizing some 6,000 police on February 14.

Here are some cartoons carried on south Korean dailies to depict recent social problems and political phase:



Dong-A Ilbo, Jan. 17

Discussion on constitutional revision

IMPOSSIBLE

Taegu-Maeil Sinmun, Feb. 6

1) Unconditional police dispatch and suppression on on-campus demonstrations if politically affected.

2) All-out arrest and punishment on street signature collection campaign.

3) In which country does it happen?

4) How wonderful if they are events abroad!!

Choson Ilbo, Feb. 8

Robber!

Robber...
I'm a student.

Robber...
I'm a student.

Then, where's police?
They are all out to capture students.

Reports from the First Winter Asian Games "Sapporo 1986"

Han Chun Ok, speed skater of the DPRK plays at the women's 3,000 meters. One of the placards behind her reads, "We Welcome Athletes of the DPRK!"

More than 1,600 people out of 6,000 spectators gathered to watch the opening ceremony held at the Makomanai Indoor Stadium in Japan, were Koreans in Japan who welcomed their fellow countrymen holding and waving small flags and beating drums.

"DPRK athletes attending the First Winter Asian Games which held on March 1-8 in Hokkaido, Japan, are all in perfect shape and their spirits are high," said Pak Myong Chol, head of the DPRK sports delegation. As the head said, the DPRK participants in the Games played hard and won many prizes to meet the expectation of the people of the DPRK and Korean residents in Japan.

Medals acquired by the DPRK participants are one gold, two silvers and five bronzes after the Games were over.

Follow the main results of the DPRK athletes during the Games.

Figure Skating

In the pair skaing, the DPRK pair Nam Hye Yong and Kim Hyok won a gold with a factored placement of 1.6 and 92.6 points on March 4.

The pair earned 43.9 points to place second in the short program of pair skating on March 3. Nam Hye Yong, 11-year-old, the youngest among the participants and Kim Hyok, 14-year-old performed various rotations and turnabout and other high-grade movements with high speed and graceful artistic presentation by linking various types of runway.

The music played was "Korea is One", which was intended "to reflect the wishes for the reunification of the Korean people, especially the 700,000 Korean residents in Japan," said Ryu Su Jang, instructor of the pair.

A Japanese judge of the Games said, "When it comes to the matter of artistic expression, Japanese figure skaters at low ages are likely to use fingers only. But she is different. Miss Nam does it with her facial expression, her neck and using all her body. She's so emotional. Her high technique heightens her artistic expression."

The pair has been formed for one and a half years and it was their 6th appearance in an international game and the first gold medal.

The model performance was played by them on March 8, before the closing ceremony was held.

Speed Skating

–Men's 5,000 meters

In the men's 5,000-meter race, Im Ri Bin won a silver medal on March 2, clocking 7:28.37. It was the first medal for the DPRK in the Games.

–Women's 1,000 meters

DPRK speed skater Han Chun Ok won second in 1:27.96 on March 3, in the women's 1,000 meters.

–Women's 3,000 meters

In the women's 3,000 meters, Han Chun Ok finished third in 4:49.44 on March 4.

Short Track

–Men's 500 meters

Kim Chang Hwan, third-generation Korean youth in Japan, who was chosen as one of the representatives of the DPRK was third in 48.06 in the men's 500 meters on March 3. He is a third year student of the Kanagawa Korean Middle and High School in Japan and started skating 10 years ago. In last December, he attended the All-Japan Short Track Skating Championships and won 3rd prize in the 1,000 meters event.

Aiming to "see the DPRK flag hoisted at international championships and Olympics", Kim said, "I wished that north and south Korean athletes attended the Games as one team... We could have gained more wonderful results."

–Men's 1,000 meters

In the men's 1,000-meter event, Kim Chang Hwan got 3rd prize in 1:43.02 on March 6.

Nam Hye Yong, the youngest participant of the 1986 Winter Asian Games and one of the gold prize winning pair of the figure skating performs with her partner Kim Hyok, who is three years older than she.

Slalom

–Men's Slalom

In the men's slalom, Li Jong Su placed third in 1:47.55 on March 5.

–Women's Slalom

In the women's slalom, Song Hye Yong finished fourth in 1:46.01 on March 6. She said, "Skiing is a new sport in our country. We have three ski courses."

Cross-Country Ski Relay

In the women's 4×5-kilometer cross-country ski relay the DPRK team got third in 1:16.12.5 on March 6.

Welcome and Good Luck!

Students of the Hokkaido Korean Primary, Middle and High School played Kayagum (Korean Koto) on March at the meeting of the international friendship and exchanges held in the Sapporo Prince Hotel to welcome the athletes from their fatherland, the Democratic People's Republic of Korea, and other countries. Children had practiced for many months for this occasion. Korean traditional Nong-ak dance was also performed by the primary school pupils.

Sports and Culture

"True Records of the Li Dynasty"

The National Classics Institute of the Korean Academy of Social Sciences is now pressing ahead with the publication of "True Records of the Li Dynasty", a typical national classic of the Korean nation, following its translation.

Vast volumes of "True Records of the Li Dynasty" written in Korean-style Chinese characters difficult to understand is the "Government Diaries" of the Korean Feudal state of the Li dynasty, which contains daily records of historical facts over the period from 1392 to 1910.

Covering a historical period of more than five centuries, its original texts consist of 1,763 volumes and nearly 900 books. Its modern Korean edition consists of upwards of 860,000 pages of manuscript papers, which are expected to make over 360 books.

Its contents are diverse and its materials are very rich.

Edited there are records about the home policy and external activities in the political, economic, cultural and military fields.

Its comprehensive contents involve wide-range questions from social affairs to natural phenomena–science, education, art, religion, moral ethics and even trifling civil affairs as well as solar and lunar eclipses and sunspots.

Carried in it are materials on the anti-feudal struggle of the Korea people and their courageous fight against the foreign aggressors.

(Continued on page 7)

DPRK, Japan Agree To Expand Sports Ties

Pak Myong Chol, Vice President of the DPRK Olympic Committee, and Shibata Katsuji, President of the Japan Olympic Committee (JOC) has come to a basic agreement on expanding sports ties between the countries at meeting held on Mar. 3, in Sapporo where Winter Asian Games were being held.

Mr. Shibata was invited to visit Pyongyang in April or May to exchange an official memoranda concerning the matter.

The DPRK and Japan have no diplomatic ties except non-governmental ties including a 1984 fishery accord and sports exchanges, only in the fields of table tennis and volleyball through such organizations as the Japan-Korea Sports Exchange Association, so the proposed agreement is expected to pave the way for further expanding ties to other fields between the two countries.

As a concrete plan for the time being, the DPRK athletes were to participate in the 41st Lake Biwa Marathon near Kyoto in western Japan on Mar. 9. The DPRK is also considering participating in an Asian joint table tennis Tournament (April) and athletic meet in Japan (October).

Meanwhile, the DPRK side has invited Japan to compete in five international sports events in Pyongyang, including judo, volleyball (June), wrestling (freestyle, July), table tennis (August) and boxing (Aug.-Sept.).

"We begin exchanges with countries which have no diplomatic ties with us from sports field. So we hope this agreement will lead to a breakthrough in Japan-DPRK relation," said Mr. Shibata.

Mr. Pak was quoted as saying, "we have agreed to have sports exchanges in a more wide field. We hope this will lead to exchanges in other fields; political, economic and cultural".

At the meeting they also discussed matters concerning a North-South Korean relay marathon from Pyongyang to Seoul across the border.

Pak replied that such a race would be possible if the north and south could agree on joint sponsorship and a joint team to enter the relay.

Pyongyang OKs Visit of SDF, Police Officers for Int'l Shooting Games

The DPRK has sent an invitation to the Japan Rifle Shooting Association to participate in the international shooting competition to be held in Pyongyang, Oct. 2, it was revealed on Mar. 3.

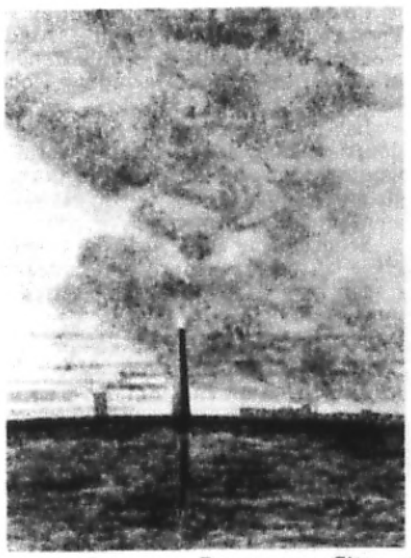
The Japanese Foreign Ministry and the Justice Ministry have yet to make a final decision on whether to allow a Japanese entry in the championships. But the JRSA has accepted the offer.

"If it is realized, it will be the first occasion for a Japanese shooting team organized by members of the Self Defense Force (SDF) and police officers to visit there. They will go to Pyongyang from Seoul where Asian Games are to be held from Sept. 17", said an official source here.

In fact, citizens in Japan are prohibited having and carrying weapons, so it is unavoidable that the team should consist of SDF and police members. The DPRK places no restrictions on the qualifications of athletes.

Pictures of Pyongyang Drawn By Pointillist

—From the Graduating Exhibition of Tamagawa University—



"A Trip to Pyongyang—City at Dusk"

"A Trip of Pyongyang—by 3:02 Train"

The painter, Kotabe Asaji, 22, senior at the fine arts section of the art department of Tamagawa University was one of the 300 civilian passengers aboad the "Ship of Asian Peace" which made a voyage to the DPRK, China, USSR from April 26 to May 10, last year.

Referring his motives in drawing these two pictures, he said, "I wanted to draw the humane aspects of Korean people and their broadmindness in my own way".

It was the first time that such a large number of people visited at a time the three countries including the DPRK which had no diplomatic ties with Japan.

Through the voyage people from various walks of life, workers, businessmen, students, housewives have been able to touch with some aspects of the countries and deepened mutual understanding and friendship with people in these countries.

Three-language Speech Book Published in Japan

"Making Speeches in English—Its Technique and Practice", edited by Professor of Korea University in Japan.

Japanese publishers "Kirihara Shoten" recently published a guide book for English speeches by a Japan-born Korean professor.

"Making Speeches in English—Its Technique and Practice" was compiled and written in Japanese by Prof. Kim Han Ho of Korea University in Kodaira, a suburb of Tokyo. He has also the title of an Asisstant Professor of the Democratic People's Republic of Korea. The book consists of two parts—useful and practical know-how on making English speeches and texts of English speeches made by Korean students in Japan who won good results in speech contests sponsored by prestigious Japanese colleges and universities. The contents of the speeches are all interesting and show the life of second-generation Korean youths in Japan and their daily struggle to acquire and defend their national identities as Koreans.

What is unique about the book is that it introduces texts of speeches made by Korean students in three languages: English, Korean and Japanese so that readers may easily observe differences and relations between these three languages.

Now, the ability of second-generation Korean youths in Japan to acquire working knowledge of the English languages is highly evaluated in English speech contests sponsored by Japanese high schools, colleges, universities and Japanese papers. According to some statistics, the rate of winning first and other prizes for Korean students amounts 92%, and 65% of them are first prize winners.

The author, who has made a great contribution to this success was born in 1929 and has been teaching for over 13 years. He is experienced as an interpreter at various international conferences and attending more than 50 English speech contests as a judge. Now, he is hard at work writing a vocabulary book and a book of proverbs, both written in the three languages.

The book can be available for ¥2,000 (about $10) per copy.

For further information, write to the Editor of The People's Korea.

(Continued from page 6)

It also contains materials on all sorts of abnormal weather, tidal wave, earthquake, natural resources, medicine, handicraft and other spheres.

Materials pertaining to China, Japan and other neighbouring countries, southeast Asian and west European countries are also available.

The books draw attention also in the aspects of linguistics, bibliography and printing history for the time-honoured blocks of its original texts and the printed books and printing technique.

Int'l Wrestling Tournament

PYONGYANG February 28 (KCNA)

Korean muscle-man Li Se Jong placed first in the 48 kg category at the "International-86" Wrestling Tournament held in Mongolia from February 21 to 23.

Kim Gwang Chol finished the runner-up in the 57 kg category and Kim Myong Jun, Kim Un Il and Choe Sang Mo came third respectively in the 48, 52 and 82 kg categories.

PYONGYANG March 5 (KCNA)

Korean boys Li Jae Sik and Kim Yong Sik carried off gold respectively in the 48 kg and 52 kg categories at the "Intransmas" Cup International Free-style Wrestling Tournament which was held in Hungary on March 1 and 2, according to a report.

And O Gyong Ho finished the second in the 52 kg category and Kim Sun Chol and Cho Yong Gon the third in the 48 kg and 62 kg categories.

Meanwhile, Korean wrestler Kim Jong Sik snatched the silver medal in the 48 kg category at the 25th International Free-style Wrestling Tournament "Dan Kolov" held in Bulgaria.

Int'l Soccer Game

PYONGYANG March 1 (KCNA)

The DPRK soccer team defeated the south Korean team 1-0 on February 28 at the 17th International Football Tournament for "King Cup" in Bangkok, the capital of Thailand, according to a report.

In the 32nd minute of the first half, DPRK forward Han Hyong Il slammed a 25-meter kick into the net, breaking through the opposite defence.

Int'l Judo Tournament

PYONGYANG March 2 (KCNA)

Korean judo player Hwang Jae Gil placed first in the open-weight division at the 16th International "Liberation" Judo Tournament held in Bulgaria over February 22-23.

New Youth Gymnasium

A modern gymnasium was opened in Chongju County, North Pyongan Province.

The four-storied building with a building space of 30,000 square meters is fully furnished for home and international games.

It has 3,500 seats and a floor wide enough to hold volleyball games of three pairs at a time. Three volleyball, basketball, handball, boxing and wrestling can be held. It has 19 training and preparatory rooms.

Various cultural and welfare facilities are available to the players.

Outside the gymnasium there is a roller skate training ground of a 400-meter track.

Exhibition of Designs

An exhibition of designs of people's daily necessaries opened in Pyongyang.

On display there are more than 400 designs of daily necessaries and over 450 goods made by central and provincial industrial art creation organs, daily necessaries workshops and workteams of factories and enterprises and housewives' sideline workteams.

These designs and goods of new types show fine successes achieved in this domain through a vigorous mass technical innovation movement.

They are highly estimated by visitors as they suit the tastes and emotions of our people.

Chon Faces Another Big Challenge— Foreign Debts

By Li Chol Won
Special to The People's Korea

Now, the south Korean junta led by Gen. Chon Du Hwan seems to face two challenges at home: 1) the vigorous campaign by opposition figures and students for constitutional changes, and 2) mounting foreign debts.

The Foreign Debt White Paper published by the Economic Planning Board (EPB) on February 28 says south Korea's net external debts stood at $46.7 billion as of the end of 1985, more than two times the debts of $203 billion in 1979.

It amounts to 58 percent of GNP in 1984, when south Korea's economic performance was much better than in 1985.

The 1985 debt figure which is estimated at 155 percent of 1985 exports, averages $1,154 per capita.

The IMF has already put south Korea's debt-service ratio at 20 percent in 1982, a figure generally viewed as the dividing line between safety and danger in debt management.

According to the government report, the 1985 tally didn't include $5.97 billion owed by Korean invested companies overseas to foreign countries.

But the south Korean paper Joongang Daily News, reporting on the white paper, says that those loans are no different from foreign debts because banks in south Korea guarantee their payment.

If the overseas debts are added to the EPB-calculated debts figure, south Korea ranks third with total debts of $52.67 billion after Brazil ($106 billion) and Mexico ($97 billion), outdistancing Argentina ($50 billion). (US News & World Report, Jan. 20, 1986)

More serious is that short-term debts figure large in south Korea's borrowings.

Though the government report says they account for 23 percent of the external debts, Far Eastern Economic Review dated Sep. 26, 1985 estimated short term loans at 35 percent.

Apart from the afore-said debts, south Korea has introduced loans from abroad for the purpose of military buildup.

The thick $26.4 billion increase in foreign loans during the 1979-1985 period, the white paper says, is blamed on mainly two factors – crude oil price hikes and rises in international interest rates.

Yet, the annual amount swelled to $3.6 billion last year from $2.7 billion in 1984, though the per-barrel crude oil import prices nose-dived to $26.67 in 1985 from $35.5 in 1981 and international interest rates from 14-15 percent to a 10 percent level, said the south Korean paper Hankook Ilbo dated March 1.

A report issued on January 11 by the Korea Chamber of Commerce and Industry says that the outstanding debts are ascribed to the eminent proportion of short-term and floating-interest debts, a larger portion of the foreign capital introduced from the United States and Japan, the preponderant capital loaned by private companies which is highly sensitive to the changes in the international monetary environments, adding that debt structure itself helped expanding borrowings.

The EPB report predicts that south Korea's net foreign debt will drop from next year, helped by the improvement in the current account with exports outscoring imports, and expresses confidence in south Korea being changed to a creditor nation by the end of the 1990s.

Seoul's economic picture last year when there was a big drop in exports, however, makes this outlook over-optimistic, giving an impression that Seoul trifles about debt management in the years ahead, because profits by exports cover the greatest part of funds for debt payment.

The problem is whether Seoul can pay for debts and their interests and how.

It is not exaggeration to say that a boost in exports is a fatal question, as The New York Times Weekly Review dated Oct. 20, 1985 says, "Essentially, south Korea lives or dies on trade."

The economy depends on exports for about 35 percent of GNP. (The Japan Times, Oct. 23, 1985)

As for Seoul's dependence on trade, The New York Times Weekly Review dated Oct. 6, 1985, says, comparing south Korea and Japan, "While the two neighbors share a common work ethic and an aggressive export policy, Korea's economy is far weaker, partly because it lacks Japan's large internal market. That makes Korea far more dependent on trade at a time when free trade is increasingly threatened." (Japan's exports amount to 14 percent of GNP, according to the same source.)

On export markets, in 1984 around 35 percent of its exports went to the United States, which helped rise its total exports and real gross national product. (The Economist, Oct. 5, 1985)

"If the Americans stop buying, or merely slow down, south Korea will feel economic pain instantly," said The New York Times Weekly Review dated Oct. 20, 1985.

In fact, when growth in the United States dropped from 10 percent to 2 percent, hitting a wide range of products in which south Koreans specialize, in the first seven months of 1985, south Korea's exports of electronics were down by 5 percent, shoes by 2 percent, ships by 24 percent, light industrial goods by 5 percent. (The Japan Times, Oct. 23, 1985)

Amid the growing protectionism, Seoul's "reliable" partner has already ruled that south Korean color television manufacturers were guilty of dumping and several other cases are pending, and south Koreans were forced to accept "voluntary" restraints on steel exports to America. (The NY Times Weekly Review, Oct. 6, 1985)

Irritated advanced nations are liable to treat with Seoul bitterly, regarding it as a possible challenger, although its low per capital income and economic size place it in the ranks of the developing nations.

Brookings Institute trade specialist Lawrence Krause on a visit to Seoul once said of the last year's slowdown in exports to the U.S.: "You can expect more of the same for the next several years." (FEER, Sep. 26, 1985)

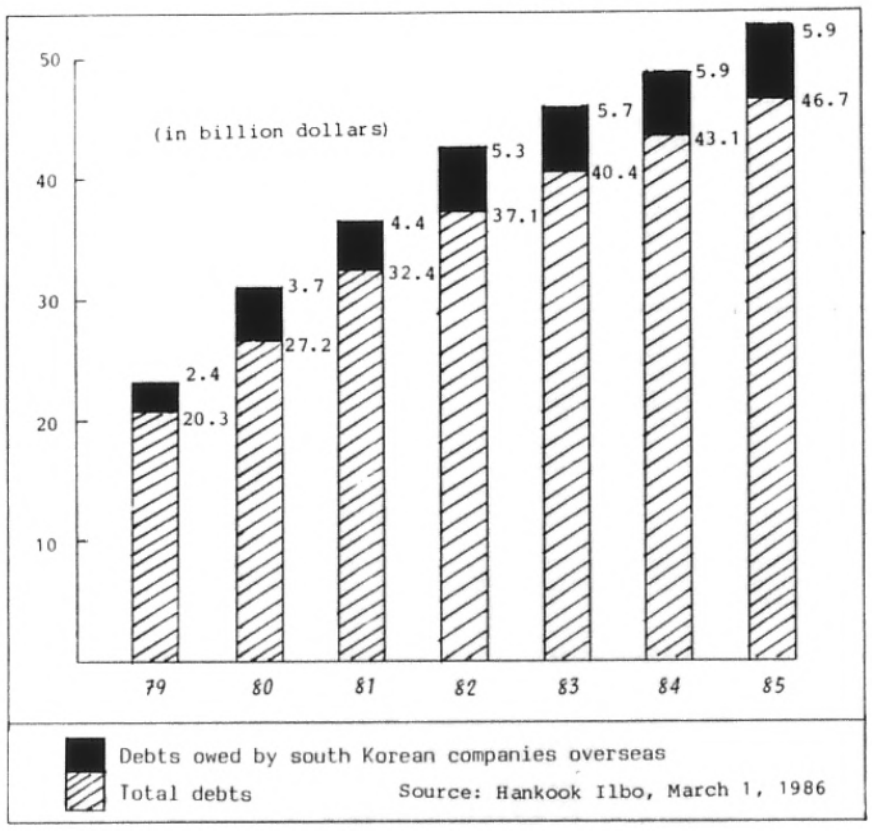
In addition, south Korean commodities have been harshly challenged by its rival countries, such as Taiwan, Hong Kong, Singapore, etc. in the fields of technology- and capital-intensive industries as well as labor-intensive light industries.

According to a survey on export markets in some 100 countries conducted by the Korea Trade Promotion Corp., such a phenomenon is conspicuous in the European Community. (The south Korean English daily Korea Times, Jan. 12, 1986)

A total of 207 export items were subject to about 100 import restrictions set up by advanced countries last year, affecting 36.3 percent of Seoul's total export items, reported the same paper on March 2, quoting the Trade and Industry Ministry.

New construction deals in the Middle East, a multibillion-dollar business for south Korean companies, continue to fall off as the low price of oil leaves many countries there strapped for cash, and payment on old deals also are delayed. (The Japan Times, Oct. 23, 1985).

Especially, faced with decreasing foreign orders, the shipbuilding industry, which south Korea once boasted of, is no longer a major factor for its economic growth.



Foreign ship orders are estimated to have totaled only 650,000 tons in 1985, the lowest annual figure since 1979 and down sharply from 2.24 million tons 1984, according to an AP-DowJones report.

No new orders were received in August or September, and only one foreign order for a small ship of 3,250 tons was placed in October last year, it added.

The NY Times dated Oct. 6, 1985 says that shipyards had laid off more than 7,000 workers and huge sum of loans which major shipbuilders owe to the government is believed to have to be written off.

In an effort to bail its economy out of the deepening crunch, south Korea is trying to shift from relatively low-technology products to more sophisticated goods, including electronics and cars, as illustrated by the rush to semiconductors, led by the Samsung group, which is to be followed by other companies. (FEER, Sep. 26, 1985)

The magazine, however, warned, "The risks involved are enormous, as Samsung has discovered; it started production just as the world semiconductor market began to experience a serious glut and prices on some important items have fallen sharply."

Another disquieting factor concerning this move is the tendency of south Korean big firms to rush together into the same new industry, helped by cheap loans from the government.

The British magazine Economist dated Oct. 5, 1985, referring to a narrow range of products – shipbuilding, textiles and shoes – which south Korean exports are based on, underlined the fact that they deprive the rest of industry of capital, and their herd instinct ensures that south Korea's range of exports stays narrow.

To spur economic growth and to stave off unemployment, the authorities encouraged exports by offering low-interest loans or outright subsidies, lowering taxes, abolishing import duties for necessary parts and setting favorable rates of interest, and as a result, it borrowed heavily from abroad. (The NY Times WR, Oct. 6, 1985)

Some people say that American economic stagnation is no reason for Seoul's serious decline in economic trends but an excuse and assert that the heart of the matter lies in the economic structural problem, which is marked by total dependence on foreign powers, in other words, what students there call "subjection."

The FEER (Sep. 26, 1985) said that the collapse of south Korea's sixth-largest Kukje group has cast long shadows over the economy and contributed to the belief among many that internal structural problems, as well as external factors are partly responsible for the slowdown in exports.

The EPB white paper predicts that Seoul's foreign loan requirement will amount to $6 billion-$7 billion annually during the latter part of the 1980s, while interest payment for the borrowings soared to $4 billion as of the end of 1985.

This means that, if simply calculated, only $2 - 3 billion can be applied to profit-producing projects, with a dull growth rate of exports, on which the south Koreans have relied as a source of funds for foreign debts payment.

In early 1983, the Organization for Economic Cooperation and Development warned against possible defaults in four countries, including south Korea.

Its recent economic performance does not allow lenders in the world to ignore its possible default and nothing guarantees that Seoul can bypass such an eventuality in future.

Seoul's economy, caught in a vicious circle of sluggish exports and increasing foreign debts, can be characterized as "uncertain."

The Feb. 28 report's prediction that Seoul will join the club of creditor nations by the end of this century appears too optimistic.

The leading south Korean newspaper Dong-A Ilbo in its Dec. 21, 1985 editorial says, "As of the end of November the net external loans were estimated at $46.3 billion, an excess of $1.1 billion over the planned figure of $45.2 billion. The reduction of foreign debts is a foremost task our economy has to fulfill. Crying about is easy, but practice is difficult. Although a goal is set, it is always far ahead."

Stagnant exports automatically make debts go on snowballing and restrict real term economic growth and eventually lead to skyrocketing unemployment – and possibly to an explosion of accumulated popular distrust to and dissatisfaction with the Chon regime.

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